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INTRODUCTION

Wedgwood Christian Youth and Family Services entered into contract #BA-02-41004 with the Michigan Family Independence Agency (FIA) to provide an After-School Program for children in grades K-9. The children were to participate in a Life Skills Program, which included decision-making, stress and anger management, drug and alcohol abuse prevention, and recreational activities. The contract totaled \$108,106 and covered the period October 1, 2001 through June 30, 2002. The Wedgwood Christian Youth and Family Services were reimbursed for actual costs incurred, through the submission of monthly billings to FIA.

SCOPE

The Office of Internal Audit performed an audit of Wedgwood Christian Youth and Family Services to determine if the Agency's billings were accurate, allowable, and properly supported by the accounting records and supporting documentation in accordance with the terms of the contract. Our review covered the period October 1, 2001 through April 30, 2002.

EXECUTIVE SUMMARY

Based on our audit, we conclude that Wedgwood Christian Youth and Family Services overbilled FIA \$419.51. The salaries, fringe benefits and supplies were underbilled and the contract services line item was overbilled. Our report recommends the Field Operations Administration initiate the process to recoup \$419.51 from Wedgwood Christian Youth and Family Services.

AGENCY RESPONSE

Wedgwood Christian Youth and Family Services did not respond to our draft report.

FINDINGS AND RECOMMENDATIONS

Salaries-Payroll Documentation

1. Wedgwood Christian Youth and Family Services did not provide time sheet documentation for the hours the supervisor and the administrative assistant worked on the after school program. Instead a percentage of payroll was used to bill the salaries of these two positions.

WE RECOMMEND that the Field Operations Administration inform Wedgwood Christian Youth and Family Services that time sheets must be maintained to document the time employees spend working on the after school program.

Salaries and Fringe Benefits

2. Wedgwood Christian Youth and Family Services underbilled salaries and fringe benefits by \$279.92 and \$68.22 respectively because they did not bill for costs incurred during the month of October, 2001.

Supplies

3. Wedgwood Christian Youth and Family Services underbilled FIA by a net amount of \$100.35 for supplies because they did not bill for October expenses of \$120.75 and they billed \$20.40 for postage costs that should have been included in the communications line item. However, the communications line item budget does not include postage as an allowable expense.

Contractual Services

4. Wedgwood Christian Youth and Family Services overbilled FIA \$868 for contractual services due to supporting documentation not being available for review.

WE RECOMMEND the Field Operations Administration initiate the process to recoup \$419.51 from Wedgwood Christian Youth and Family Services for the overbilled amount.

Case File Review

5. We reviewed a sample of 76 case files out of a population of 345 participants and found that one TANF form was missing and 29 survey forms were missing for the period October, 2001 through April, 2002.